

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Five Star Advertising, Inc.	)	File No. EB-07-TC-13323
	)	
Apparent Liability for Forfeiture	)	NAL/Acct. No. 20093217006
	)	FRN: 0018271494
	)	

**NOTICE OF APPARENT LIABILITY FOR FORFEITURE**

**Adopted: November 24, 2008**

**Released: November 26, 2008**

By the Commission :

**I. INTRODUCTION**

1. In this *Notice of Apparent Liability for Forfeiture* (“NAL”)<sup>1</sup>, we find that Five Star Advertising, Inc. (“Five Star”)<sup>2</sup> apparently willfully or repeatedly violated section 227 of the Communications Act of 1934, as amended (“Act”), and the Commission’s related rules and orders, by delivering at least 13 unsolicited advertisements to the telephone facsimile machines of at least 12 consumers.<sup>3</sup> Based on the facts and circumstances surrounding these apparent violations, we find that Five Star is apparently liable for a forfeiture in the amount of \$64,000.

**II. BACKGROUND**

2. Section 227(b)(1)(C) of the Act makes it “unlawful for any person within the United States, or any person outside the United States if the recipient is within the United States . . . to use any telephone facsimile machine, computer, or other device to send, to a telephone facsimile machine, an

<sup>1</sup> See 47 U.S.C. § 503(b)(1). The Commission has the authority under this section of the Act to assess a forfeiture against any person who has “willfully or repeatedly failed to comply with any of the provisions of this Act or of any rule, regulation, or order issued by the Commission under this Act ....” See also 47 U.S.C. § 503(b)(5) (stating that the Commission has the authority under this section of the Act to assess a forfeiture penalty against any person who does not hold a license, permit, certificate or other authorization issued by the Commission or an applicant for any of those listed instrumentalities so long as such person (A) is first issued a citation of the violation charged; (B) is given a reasonable opportunity for a personal interview with an official of the Commission, at the field office of the Commission nearest to the person’s place of residence; and (C) subsequently engages in conduct of the type described in the citation).

<sup>2</sup> According to publicly available information, Five Star has offices at 6247 El Diente Peak Place, Castle Rock, CO 80108-9470. Jane Eunsook Lee, is listed as the contact person for Five Star. Accordingly, all references in this NAL to “Five Star” also encompass the foregoing individual and all other principals and officers of this entity, as well as the corporate entity itself.

<sup>3</sup> See 47 U.S.C. § 227(b)(1)(C); 47 C.F.R. § 64.1200(a)(3); see also *Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991, Report and Order and Third Order on Reconsideration*, 21 FCC Rcd 3787 (2006).

unsolicited advertisement.”<sup>4</sup> The term “unsolicited advertisement” is defined in the Act and the Commission’s rules as “any material advertising the commercial availability or quality of any property, goods, or services which is transmitted to any person without that person’s prior express invitation or permission in writing or otherwise.”<sup>5</sup> Under the Commission’s rules, an “established business relationship”<sup>6</sup> exception permits a party to deliver a message to a consumer if the sender has an established business relationship with the recipient *and* the sender obtained the number of the facsimile machine through the voluntary communication by the recipient, directly to the sender, within the context of the established business relationship, or through a directory, advertisement, or a site on the Internet to which the recipient voluntarily agreed to make available its facsimile number for public distribution.<sup>7</sup>

3. On October 30, 2007, in response to one or more consumer complaints alleging that Five Star had faxed unsolicited advertisements, the Enforcement Bureau (“Bureau”) issued a citation<sup>8</sup> to Five Star, pursuant to section 503(b)(5) of the Act.<sup>9</sup> The Bureau cited Five Star for using a telephone facsimile machine, computer, or other device, to send unsolicited advertisements for apparel and sales of businesses to a telephone facsimile machine, in violation of section 227 of the Act and the Commission’s related rules and orders. The citation warned Five Star that subsequent violations could result in the imposition of monetary forfeitures of up to \$11,000 per violation, and included a copy of the consumer complaints that formed the basis of the citation.<sup>10</sup> The citation informed Five Star that within 30 days of the date of the citation, it could either request an interview with Commission staff, or could provide a written statement responding to the citation. Five Star did not request an interview or otherwise respond to the citation.

4. Despite the citation’s warning that subsequent violations could result in the imposition of monetary forfeitures, we have received 13 additional consumer complaints indicating that Five Star continued to engage in such conduct after issuance of the citation.<sup>11</sup> We base our action here specifically on 13 complaints filed by 12 consumers establishing that Five Star continued to send 13 unsolicited advertisements to telephone facsimile machines after the date of the citation.<sup>12</sup>

5. Section 503(b) of the Act authorizes the Commission to assess a forfeiture for each violation of the Act, or of any rule, regulation, or order issued by the Commission under the Act, by a

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<sup>4</sup> 47 U.S.C. § 227(b)(1)(C); 47 C.F.R. § 64.1200(a)(3).

<sup>5</sup> 47 U.S.C. § 227(a)(4); 47 C.F.R. § 64.1200(f)(13).

<sup>6</sup> An “established business relationship” is defined as a prior or existing relationship formed by a voluntary two-way communication “with or without an exchange of consideration, on the basis of an inquiry, application, purchase or transaction by the business or residential subscriber regarding products or services offered by such person or entity, which relationship has not been previously terminated by either party.” 47 C.F.R. § 64.1200(f)(5). *See also* 47 U.S.C. § 227(a)(2).

<sup>7</sup> *See* 47 U.S.C. § 227(b)(1)(C); 47 C.F.R. § 64.1200(a)(3)(i), (ii).

<sup>8</sup> Citation from Kurt A. Schroeder, Deputy Chief, Telecommunications Consumers Division, Enforcement Bureau, File No. EB-07-TC-13323 issued to Five Star on October 30, 2007.

<sup>9</sup> *See* 47 U.S.C. § 503(b)(5) (authorizing the Commission to issue citations to persons who do not hold a license, permit, certificate or other authorization issued by the Commission or an applicant for any of those listed instrumentalities for violations of the Act or of the Commission’s rules and orders).

<sup>10</sup> Bureau staff mailed the citation to the following address: Five Star Advertising, Inc., Attn: Jane Eunsook Lee, 6247 El Diente Peak Place, Castle Rock, CO 80108-9470. *See* n.2, *supra*.

<sup>11</sup> *See* Appendix for a listing of the consumer complaints against Five Star requesting Commission action.

<sup>12</sup> We note that evidence of additional instances of unlawful conduct by Five Star may form the basis of subsequent enforcement action.

non-common carrier or other entity not specifically designated in section 503 of the Act. The maximum penalty for such a violation is \$11,000 for a violation occurring before September 2, 2008, and \$16,000 for a violation occurring on or after September 2, 2008.<sup>13</sup> In exercising such authority, we are to take into account “the nature, circumstances, extent, and gravity of the violation and, with respect to the violator, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.”<sup>14</sup>

### III. DISCUSSION

#### A. Violations of the Commission’s Rules Restricting Unsolicited Facsimile Advertisements

6. We find that Five Star apparently violated section 227 of the Act and the Commission’s related rules and orders by using a telephone facsimile machine, computer, or other device to send at least 13 unsolicited advertisements to the 12 consumers identified in the Appendix. This NAL is based on evidence that 12 consumers received unsolicited fax advertisements from Five Star *after* the Bureau’s citation. The facsimile transmissions advertise apparel. Further, according to the complaints, the consumers neither had an established business relationship with Five Star nor gave Five Star permission to send the facsimile transmissions.<sup>15</sup> The faxes at issue here therefore fall within the definition of an “unsolicited advertisement.”<sup>16</sup> Based on the entire record, including the consumer complaint[s], we conclude that Five Star apparently violated section 227 of the Act and the Commission’s related rules and orders by sending 13 unsolicited advertisements to 12 consumers’ facsimile machines.

#### B. Proposed Forfeiture

7. We find that Five Star is apparently liable for a forfeiture in the amount of \$64,000. Although the *Commission’s Forfeiture Policy Statement* does not establish a base forfeiture amount for violating the prohibition against using a telephone facsimile machine to send unsolicited advertisements, the Commission has previously considered \$4,500 per unsolicited fax advertisement to be an appropriate

<sup>13</sup> Section 503(b)(2)(C) provides for forfeitures up to \$10,000 for each violation in cases not covered by subparagraph (A) or (B), which address forfeitures for violations by licensees and common carriers, among others. See 47 U.S.C. § 503(b). In accordance with the inflation adjustment requirements contained in the Debt Collection Improvement Act of 1996, Pub. L. 104-134, Sec. 31001, 110 Stat. 1321, the Commission implemented an increase of the maximum statutory forfeiture under section 503(b)(2)(C) first to \$11,000 and more recently to \$16,000. See 47 C.F.R. § 1.80(b)(3); *Amendment of Section 1.80 of the Commission’s Rules and Adjustment of Forfeiture Maxima to Reflect Inflation*, 15 FCC Rcd 18221 (2000) (forfeiture maximum for this type of violator set at \$11,000); *Amendment of Section 1.80(b) of the Commission’s Rules and Adjustment of Forfeiture Maxima to Reflect Inflation*, 19 FCC Rcd 10945 (2004) (amendment of section 1.80(b) to reflect inflation left the forfeiture maximum for this type of violator at \$11,000); *Amendment of Section 1.80(b) of the Commission’s Rules, Adjustment of Forfeiture Maxima to Reflect Inflation*, 23 FCC Rcd 9845 (2008) (amendment of section 1.80(b) to reflect inflation increased the forfeiture maximum for this type of violator to \$16,000).

<sup>14</sup> 47 U.S.C. § 503(b)(2)(D); *The Commission’s Forfeiture Policy Statement and Amendment of Section 1.80 of the Rules to Incorporate the Forfeiture Guidelines, Report and Order*, 12 FCC Rcd 17087, 17100-01 para. 27 (1997) (*Forfeiture Policy Statement*), *recon. denied*, 15 FCC Rcd 303 (1999).

<sup>15</sup> See, e.g., complaint dated February 5, 2008 from Kay LaVergue, McKinley High School (stating that she has never done any business with the fax advertiser, never made an inquiry or application to the fax advertiser, never gave permission for the company to send the fax, and requested the company not to fax an advertisement). The complainants involved in this action are listed in the Appendix.

<sup>16</sup> See 47 U.S.C. § 227(a)(4); 47 C.F.R. § 64.1200(f)(13) (definition previously at § 64.1200(f)(10)).

base amount.<sup>17</sup> We apply that base amount to each of 12 of the apparent violations. In addition, where the consumer requests the company to stop sending facsimile messages, and the company continues to send them, the Commission has previously considered \$10,000 per unsolicited fax advertisement the appropriate forfeiture for such egregious violations.<sup>18</sup> Here, one consumer specifically requested that Five Star cease sending facsimiles. Notwithstanding these requests, one additional facsimile was sent to this consumer. Thus, we apply the \$10,000 amount to one of these apparent violations. Thus, a total forfeiture of \$64,000 is proposed. Five Star will have the opportunity to submit evidence and arguments in response to this NAL to show that no forfeiture should be imposed or that some lesser amount should be assessed.<sup>19</sup>

#### IV. CONCLUSION AND ORDERING CLAUSES

8. We have determined that Five Star Advertising, Inc. apparently violated section 227 of the Act and the Commission's related rules and orders by using a telephone facsimile machine, computer, or other device to send at least 13 unsolicited advertisements to the 12 consumers identified in the Appendix. We have further determined that Five Star Advertising, Inc. is apparently liable for a forfeiture in the amount of \$64,000.

9. Accordingly, IT IS ORDERED, pursuant to section 503(b) of the Act, 47 U.S.C. § 503(b), and section 1.80 of the rules, 47 C.F.R. § 1.80, that Five Star Advertising, Inc. is hereby NOTIFIED of this APPARENT LIABILITY FOR A FORFEITURE in the amount of \$64,000 for willful or repeated violations of section 227(b)(1)(C) of the Communications Act, 47 U.S.C. § 227(b)(1)(C), section 64.1200(a)(3) of the Commission's rules, 47 C.F.R. § 64.1200(a)(3), and the related orders described in the paragraphs above.

10. IT IS FURTHER ORDERED THAT, pursuant to section 1.80 of the Commission's rules,<sup>20</sup> within thirty (30) days of the release date of this *Notice of Apparent Liability for Forfeiture*, Five Star Advertising, Inc. SHALL PAY the full amount of the proposed forfeiture or SHALL FILE a written statement seeking reduction or cancellation of the proposed forfeiture.

11. Payment of the forfeiture must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the NAL/Account Number and FRN Number referenced above. Payment by check or money order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Five Star will also send electronic notification on the date said payment is made to [Johnny.drake@fcc.gov](mailto:Johnny.drake@fcc.gov). Requests for full payment under an installment plan should

<sup>17</sup> See *Get-Aways, Inc.*, Notice of Apparent Liability For Forfeiture, 15 FCC Rcd 1805 (1999); *Get-Aways, Inc.*, Forfeiture Order, 15 FCC Rcd 4843 (2000); see also *US Notary, Inc.*, Notice of Apparent Liability for Forfeiture, 15 Rcd 16999 (2000); *US Notary, Inc.*, Forfeiture Order, 16 FCC Rcd 18398 (2001); *Tri-Star Marketing, Inc.*, Notice of Apparent Liability For Forfeiture, 15 FCC Rcd 11295 (2000); *Tri-Star Marketing, Inc.*, Forfeiture Order, 15 FCC Rcd 23198 (2000).

<sup>18</sup> See *Carolina Liquidators, Inc.*, Notice of Apparent Liability for Forfeiture, 15 FCC 16837, 16842 (2000); *21<sup>st</sup> Century Fax(es) Ltd., AKA 20<sup>th</sup> Century Fax(es)*, 15 FCC Rcd 24406, 24411 (2000).

<sup>19</sup> See 47 U.S.C. § 503(b)(4)(C); 47 C.F.R. § 1.80(f)(3).

<sup>20</sup> 47 C.F.R. § 1.80.

be sent to: Chief Financial Officer -- Financial Operations, 445 12th Street, S.W., Room 1-A625, Washington, D.C. 20554. Please contact the Financial Operations Group Help Desk at 1-877-480-3201 or Email: ARINQUIRIES@fcc.gov with any questions regarding payment procedures.

12. The response, if any, must be mailed both to the Office of the Secretary, Federal Communications Commission, 445 12<sup>th</sup> Street, SW, Washington, DC 20554, ATTN: Enforcement Bureau – Telecommunications Consumers Division, and to Colleen Heitkamp, Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission, 445 12<sup>th</sup> Street, SW, Washington, DC 20554, and must include the NAL/Acct. No. referenced in the caption.

13. The Commission will not consider reducing or canceling a forfeiture in response to a claim of inability to pay unless the petitioner submits: (1) federal tax returns for the most recent three-year period; (2) financial statements prepared according to generally accepted accounting practices; or (3) some other reliable and objective documentation that accurately reflects the petitioner's current financial status. Any claim of inability to pay must specifically identify the basis for the claim by reference to the financial documentation submitted.

14. IT IS FURTHER ORDERED that a copy of this *Notice of Apparent Liability for Forfeiture* shall be sent by Certified Mail Return Receipt Requested and First Class mail to Five Star Advertising, Inc., Attention: Attn: Jane Eunsook Lee, 6247 El Diente Peak Place, Castle Rock, CO 80108-9470.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch  
Secretary

## APPENDIX

## Complainants and Violation Dates

<b>Complainant received facsimile solicitations</b>	<b>Violation Date(s)</b>
Charlene Gregoroff, Bio-Touch	12/03/2007
Britt Cooper, Remax Advantage	12/06/2007
Joseph Zelik, Joseph Real Estate	01/21/2008
Sam Standley, Laclede Cab Company	01/23/2008
Frank Nicholas, West Marine	02/06/2008, 02/18/2008
Fritz Lecker, PJL Trucking, Inc.	02/18/2008
Connie Stinnett, Seminole County Farm Bureau	02/26/2008
David Staniunas, Presbyterian Historical Society	02/26/2008
Shevawn Maida, Michigan Rehabilitation Specialists	03/06/2008
Cory Newby, Tarrant County Fire Alarm	03/11/2008
Gerri Andreas, Appraisals Limited	03/26/2008

<b>Complainant received facsimile solicitations after requesting no more be sent</b>	<b>Violation Date(s)</b>
Kay LaVergue, McKinley High School	02/05/2008